

18<sup>th</sup> September, 2009**Issue Details**

Offer Price Band	Rs. 70-75
Face Value	10
Shares Offered	88,00,000
Employee Reserved Portion	2,00,000
Net Issue to the Public	86,00,000
Type	Fresh Issue
Promoters	Mr. Nenshi Shah
Lead Manager	Anand Rathi Advisors Ltd.
Listing (Stock Exchange)	NSE, BSE
Offer Open Date	22 <sup>nd</sup> Sept, 2009
Offer Close Date	24 <sup>th</sup> Sept, 2009
Website: <a href="http://www.euromultivision.com">www.euromultivision.com</a>	

**Script Estimates**

Market Cap (Rs Crores)	166.6-178.5
EPS – FY09 (Rs)	0.77
P/E(x) – FY09 (fully diluted)	91-97.5
Market Cap/Sales(x) FY09	2.3-2.4

Share Holding Pattern (%)	Pre Offer	Post Offer
Promoters	76.7	48.3
Promoter Group	4.4	2.8
Others	18.9	11.9
Employee	-	0.8
Public	-	36.1

Financials (Rs Crores)	FY07	FY08	FY09
Sales	56.5	90.9	73.2
Expenditure	38.4	58.6	53.2
EBITDA	18.1	32.3	20.0
EBITDA (%)	32.1	35.5	27.4
PAT	6.4	9.7	1.8
Equity	10.0	15.0	15.0
EPS (Rs)	6.41	6.49	1.22

Investors should read the risk factors and more detailed information in the Prospectus and the application form before investing in the issue.

Website: [www.way2wealth.com](http://www.way2wealth.com)

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**Euro Multivision** is a part of EURO group which was promoted by Shri Nenshi Shah in 1995. It is into manufacturing of Compact Disc Recordables (CDRs) and Digital Versatile Disc Recordables (DVDRs)

**Objects of the Issue**

The proceeds of the IPO would be used to raise resources for the company's Photovoltaic solar cell manufacturing unit in a SEZ at Bhachau in Gujarat's Kutch district. The company intends to foray into solar energy space.

**Investment Rationale**

- Euro Multivision is the second largest company in terms of manufacturing capacities in the CDRs and DVDRs business (Source: Optical Disk Manufacturers Welfare Association). The other companies in the existing business are Moser Baer, Jupitar Innovations, Optek Disc manufacturing and Lizer Technologies etc.
- Its CDRs/ DVDRs manufacturing unit has received ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:1999 certifications. Its manufacturing lines can easily be interchanged from CDR to DVDR and vice versa. Hence any change in customer preference from CDR to DVDR and vice versa can be easily addressed without any loss of time.
- Its manufacturing facility is currently operating at almost 100% capacity which helps in maintaining cost competitiveness and manufacturing efficiencies.
- The proposed plant for photovoltaic cell is being built at a cost of Rs 178.03 crores, will have a capacity of 40 MW per year. According to the management, this new field of business is synergistic with company's existing businesses and they will leverage on its core competencies in the areas of precision high technology, mass manufacturing, and project management. The plant has been granted SEZ status.
- The Company has entered into an agreement with OTB solar, Netherlands based company for the supply of the machinery for the proposed unit

**Investment Concerns**

- In terms of installed capacity, there is huge gap between the largest CDR and DVDR maker Moser Baer (installed capacity 10,000 lac units) and Euro Multivision (installed capacity 1,800 lac units).
- The management is yet to prove its mettle in the PV cells segment. Being a new entrant, this space is totally new for them.
- The Company faces a lot of competition in the CDR and DVDR business. Also, in the Photovoltaic space, a lot of large players have submitted their proposals for entering this space. Some of them are Solar Semiconductor, RIL, Moser Baer PV Technologies, Titan Energy Systems & KSK Energy.

**Valuations & Advise**

In the light of the above concerns, we recommend investors to Avoid subscribing to this issue. In terms of financial performance, the company reported a 24% drop in net sales in FY09 and decline in PAT from Rs 9.7 crores in FY08 to Rs 1.8 crores in FY09 due to the economic slowdown. This makes the issue expensive taking into account FY09 numbers which is also one of the reasons to ignore the issue.

**RESEARCH TEAM**

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